THE CABINET OF MINISTERS OF UKRAINE

RESOLUTION

of October 5, 1998 No.1598

Kyiv

On Approving of the Procedure for Determining Customs Value of Goods and other Items Crossing the Customs Border of Ukraine

as amended according to the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537

With the purpose of preventing violation of the customs legislation when determining the customs value of goods and other items crossing the customs border of Ukraine the Cabinet of Ministers of Ukraine RESOLVES:

To approve of the procedure for determination of the customs value of goods and other items crossing the customs border of Ukraine (attached).

Prime Minister of Ukraine V. PUSTOVOITENKO

Ind. 52

APPROVED by the Resolution of the Cabinet of Ministers of Ukraine of October 5, 1998 No.1598

THE PROCEDURE for Determining the Customs Value of Goods and other Items Crossing the Customs Border of Ukraine

1. The customs value of goods and other items crossing the customs border of Ukraine (hereinafter referred to as goods) shall be determined according to this Procedure.

The customs value of goods shall be declared by the declarant to the customs body while goods are crossing the customs border of Ukraine.

(clause 1 is supplemented with paragraph two according to the Resolution of the Cabinet of Ministers of Ukraine of October 10, 2000 No.1537)

2. If the documents confirming prices are submitted to the customs body (invoices, proforma invoice), and information contained in these documents is considered reliable, the customs value of goods shall be determined based on the submitted documents.

The determination of the customs value shall include the price of goods indicated in the invoice (proforma invoice) and the actual expenses, if they are not included into the
invoice (proforma invoice) depending on the terms and conditions of supply of these goods according to INCOTERMS Rules (1990 edition) of:

a) loading, unloading, transferring, insurance and transportation to the point of crossing the customs border of Ukraine;
b) commissions and brokerage fees;
c) payments for utilizing intellectual property objects related to the goods which are payable by the importer (exporter) directly or indirectly as a condition of importing (exporting).

The form of providing information and other materials as to the confirmation of the declared customs value of goods shall be determined by the State Customs Service.

The customs value of goods imported into the customs territory of Ukraine by individuals that are not subjects of entrepreneurial activity, shall be established on the basis of documents (cash-memos, tags, deeds of gift, etc.) confirming the price of purchasing these goods, and that may be identified with the available goods, if the information specified in such documents is considered reliable.

(clause 2 is supplemented according to the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

3. If it is impossible to determine the customs value of goods based on the submitted documents and/or in the event of an obvious variance of the declared customs value of goods and the customs value of goods contained in the database of price information of the State Customs Service, the customs value shall be determined based on the price of similar goods effective in leading countries – exporters of such goods, in consideration of the following requirements:

a) the goods shall be considered similar if they have the same properties as the goods subject to valuation including:

- purpose and properties of the goods;
- quality, the same trade mark and reputation at the market;
- country of origin;
- producer.

b) insignificant differences in external design cannot be a ground for refusal to consider goods as similar if according to other properties such goods meet the requirements of this clause.

In case of the same trade mark, goods produced by different manufacturers may be considered similar if neither person declaring goods nor the customs body have information about similar goods produced by the manufacturer as the goods subject to valuation;

c) if similar goods imported in a different quantity or under different terms and conditions according to INCOTERMS rules (1990 edition) than the goods requiring customs
value, respective adjustments of the price shall be made taking into account these differences.

4. If it is impossible to determine customs value of goods based on the submitted documents and if there is no information about the prices for similar goods, the customs value shall be determined based on the price of identical goods effective in leading countries – exporters of such goods taking into account following requirements:

(paragraph one of clause 4 is in the wording of the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

- a) not identical goods which have similar properties and composed of similar components enabling them to be utilized for the same purposes as goods subject to valuation and to be commercially interchangeable shall be considered similar.

To determine similarity of goods the following shall be taken into account:

- purpose and properties;
- quality, availability of trade mark and market reputation;
- b) if similar goods imported in a different quantity or under different terms and conditions of supply according to INCOTERMS Rules (1990 edition) than the goods requiring customs value, appropriate adjustments of the price shall be made taking into account these differences.

5. Information on prices for identical and similar goods in leading countries – exporters, composed based on the data of customs documents, information from price lists, catalogs of trade firms and other reference books, shall be contained in the data base of price information of the State Customs Service.

(clause 5 is in the wording of the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

6. The customs value declared by the person and information regarding its determination shall be based upon reliable and documentary confirmed information. If required, confirmation of reliability of the declared customs value may be based on the following documents:

- invoices or proforma invoices;
- specifications, bills of lading, consignment notes;
- licenses;
- contract registration cards;
- certificates of origin;
- banking documents on payment under the contract which shall contain all required banking details to identify them with supply subject to customs registration (copy of the
payment instruction certified by the bank upon fulfillment of the operation and statement (copy) of the current account of the organization certified by the head and chief accountant of this organization;

copy of the export customs declaration of the country of departure;

supply contracts (agreements);

mutual activity contracts;

contracts with third parties connected with supply contract (agreement);

payment invoices to the third persons in favor of seller;

licenses or copyright agreements;

contracts of agency, commission, agency and broker’s agreements;

invoices for commissions and broker’s services related to the goods which customs value shall be determined;

orders for supply;

transportation and insurance contracts;

price lists of the producer and seller of goods;

appropriate accounting documents;

calculation of the firm producing goods (if firm agrees to submit it to the Ukrainian buyer);

other documents that may be used to confirm customs value of goods declared in the cargo customs declaration.

All additional expenses, incurred by the declarant due to submitting such and other documents shall be suffered by the declarant.

To confirm the declared customs value conclusions of organizations authorized by the State Customs Service for price examination may be used as an additional means.

(clause 6 is supplemented with the above paragraphs according to the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

7. Determination of the customs value shall be carried out by the customs body within the term not exceeding 15 working days. In exceptional cases this term may be extended upon decision of the chair of the customs body.

Extension of the term of determination of the customs value shall not be deemed an actual delay for all necessary payments for customs registration of goods and other items.
The customs body – upon the declarant’s written inquiry – shall within a week provide an explanation of reasons why the customs value declared by the declarant may not be accepted for customs registration.

Responsibility for the decision on the customs value of goods shall be borne by the official of the customs service body, which is competent to determine this value.

(clause 7 is in the wording of the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

8. When determining customs value of exported goods subject to quotas or licensing or contracts registration, decisive shall be the price of goods indicated in the license or contract registration (accounting) card (if supply terms and conditions for these goods correspond to the terms and conditions according to which customs value is determined).

When establishing indicative prices for exported goods and regarding which foreign economic contracts are subject to registration or provide for receiving license, and prices for such goods are indicated in relevant registration documents, no additional substantiation of prices by the exporter shall be required.

(paragraph two of clause 8 is in the wording of the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

When determining indicative prices for goods, regarding which foreign economic contracts are not subject to registration or do not require licensing, prices for such goods shall correspond to the indicative prices established at the moment of carrying out foreign trade operation. If the contract price differs from the indicative one, a conformation letter granted by the state authority vested by the law with the obligation to make indicative prices shall be submitted.

(paragraph three of clause 8 is in the wording of the Resolution of the Cabinet of Ministers of Ukraine of October 12, 2000 No.1537)

9. Information submitted to the customs service body on the understanding that it is a commercial secret or as confidential may only be utilized for customs clearance purposes and may not be disclosed. It may not be used by the customs service officials for their own purposes, to be disclosed to third persons (including other state bodies) without the special permission of the person submitting such information (except cases provided by the legislation).